## Message Text

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**ACTION EB-11** 

INFO OCT-01 EA-11 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

DOTE-00 INR-10 NSAE-00 RSC-01 FAA-00 L-03 SS-20 NSC-07

DRC-01 /074 W

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R 250800Z APR 74 FM AMEMBASSY TAIPEI TO SECSTATE WASHDC 1643 INFO AMEMBASSY TOKYO USLO PEKING AMCONSUL HONG KONG CINCPAC COMUSTDC

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CINCPAC FOR POLAD

COMUSTDC FOR J-22

E.O. 11652:NA TAGS:ETRN, TW

SUBJECT: CIVAIR: ROC DOMESTIC CARRIER VIEWS AIR BREAK WITH JAPAN

1. CHAIRMAN OF BOARD OF FAR EAST AIR TRANSPORT (FAT),
K.T. SIAO, TOLD EMBOFFS APRIL 24 THAT BREAK IN ROC/JAPAN
AIR SERVICES IS VIEWED WITH SERIOUS CONCERN BY TAIWAN
TOURISM BENEFICIARIES, INCLUDING HIS AIRLINE, WHICH MAKES
7 DAILY SHORT-HAUL RUNS TO HUALIEN (MAIN TOURIST ACCESS TO
TOROKO GORGE), 5 DAILY FLIGHTS TO KAOHSIUNG, 2 TO
TAICHUNG, AND 5 TO MAKUNG. LARGE CHARTER GROUPS OF JAPANESE
TOURISTS WERE MONEY-MAKING FILLIP TO FAT WHICH OPERATES
CARVELLE AND VISCOUNT AIRCRAFT ON HIGH OPERATING-COST,
SHORT ISLAND HOPS. (CHAIRMAN SAIF FUEL COSTS--UP 170-180
PERCENT TO ABOUT NT\$20 PER GALLON--WERE PLACING SEVERE
STRAIN ON HIS FIRM.) WITH ONLY FEW DAYS EXPERIENCE FOLLOWLIMITED OFFICIAL USE

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ING CAL/JAL BREAK, CHAIRMAN NOTE FAT ONLY GETTING 7-8

JAPANESE TOURISTS PER FLIGHT. (AMBASSADOR HOTEL--HEADQUARTERS, WATERING PLACE AND STAMPING GROUNDS FOR JAPANESE VISITORS TO TAIWAN--CONFIRMED ON APRIL 15 THAT MANY RESERVATIONS, PARTICULARLY TOUR GROUPS, HAVE BEEN CANCELLED BUT TOTAL OCCUPANCY (50 PERCENT JAPANESE) IS HOLDING UP WELL.

- 2. SIAO DENIED THAT HIS AIRLINE HAD BEEN APPROACHED TO FURNISH SUCCESSOR SERVICETO CAL'S JAPAN FLIGHTS--THUS AVOIDING "CAL-TAIWAN" AND NATIONAL FLAG PROBLEMBUT MADE NO EFFORT TO CONCEAL HIS EAGERNESS OVER THE PROSPECT OF HIS AIRLINE BREAKING OUT OF "DOMESTIC" STRICTURES IF THE OPPORTUNITY PRESENTED ITSELF.
- 3. IN THIS REGARD, SIAO GAVE FIRST INDICATION WE HAVE HEARD THAT FAT IS INTERESTED IN BEGINNING CARGO FLIGHTS TO U.S. WEST COAST. HE SAID GROC EMBASSY IN WASHINGTON HAD ASKED THAT FAT REPS TRAVEL TO WASHINGTON TO MAKE APPLICATION FOR CARGO FLIGHTS VIA GUAM(INCREMENTAL TO THOSE FOR WHICH CAL HAS ALREADY MADE CAB APPLICATION) BUT FAT WAS NOT YET READY TO MAKE PRESENTATION. FAT HAS HAD BOEING CORP. AND OTHER OFFERS OF IMMEDIATELY -AVAILABLE, USED 707 AIRCRAFT AND WOULD BE MOST INTERESTED IN ACQUIRING LIMITED NUMBER (PERHAPS 2-3) IN EVENT APPLICATION EVENTUALLY IS FILED AND APPROVED.

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## Message Attributes

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